

- A. A PUBLIC DECLARATION OVER ALL MEDIA FROM THE MINISTER OF ECONOMY INFORMING THE COUNTRY THAT THE ECONOMIC SITUATION IS DESPERANTE.
- B. THE RESIGNATION OF THE TWO MINISTERS TONIGHT OR TOMORROW, FOLLOWED BY THE RESIGNATION OF OTHER MINISTERS.
- C. THE APPOINTMENT OF MILITARY TO FILL THE PORTPOLIOS OF INTERIOR, DEFENSE, HEALTH AND LABOR. (THE TWO
 ECONOMIC SLOTS ARE QUESTION MARKS BECAUSE THE MILITARY
 CONSIDERS THESE SECTORS BEYOND THETE COMPETENCE BUT I
 TRUST THEY CAN BE PERSUADED TO USE ADVISORS.)
- D. THE RESIGNATION OF PRESIDENT FREI AND HIS APPOINTMENT, AS THE CONSTITUATION PERMITS, OF AN INTERIM

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PRESIDENT AND YOULD BE ONE OF THE ARMED FORCES CINCS.

- E. A DECLARATION BY THE JUNIA THAT IT WISHES TO ASSURE THE COUNTRY A DEMOCRATIC CHOICE OF ITS SYSTEM AND OF ITS NEXT PRESIDENT.
- THERE ARE SEVERAL WEAK POINTS IN THIS SCRIPT,

 ALL WANCED FREI. HE HAD MAREUVERED SKILLFULLY TO PRODUCE THE

 CRISIS, BUT, AS IS HIS HABIT, ALWAYS PERMITTING OTHERS TO

 PUSH THE PROCESS STEP BY STEP FOR HIM. IF HE WERE NOT TO

 PERMIT THE RESIGNATIONS OF THE TWO MINISTERS, IF HE WERE NOT

 TO RESIGN AS A DONSEQUENCE, IF HE WERE NOT TO PERSUADE THE

 ARMY CINC GENERAL SCHNEIDER, THE MOST CONSTITUTIONALIST OF

 LLT THE MILITARY, TO GO ALONG WITH THIS SCHEME, IT COULD

 BECOME UNSTUCK. AND IF THE MILITARY DOES NOT ACT WITH

 SPEED AND SKILL, QUALITIES WITH WHICH THEY ARE NOT ORDINARILY

 ENDOWED, THE COUP COULD BECOME A VERY SLOPPY AND BLOODY MESS.
- TRANSFORMED BY THE STATEMENT LAST NIGHT OF RETIRED GENERAL VIAUX. WHILE THE PUBLIC CONSIDERS THE DECLARATION TO BE TRIVIAL AND EGOCENTRIC, THE ARMY, THE ARMED FORCES AND

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VIAUX IS CONSIDERED BY IN-				
THE NON-COMS. THE MEN WITH PRESIDENT FREI SAID TO A				
STATEMENT SERVED TO BRIN				
ARE NOT FOR SALE. (THE				

- BECAUSE MY INTERPRETATION OF VIAUX INFLUENCE

 TALLIED WITH FREI'S, I PERSUADED MINDEFENSE OSSA MONDAY NIGHT

 TO CEASE TRYING TO BLOCK THE VIAUX STATEMENT ON WHICH I HAD

 GIVEN THE GREEN LIGHT TO RAUL SAEZ LAST WEEKEND. INCIDENTALLY,

 FOR THE RECORD.

 PERFORMED A VERY VALUABLE SERVICE FOR ME IN HELPING TO

 ELICIT THIS MESSAGE FROM VIAUX.
- 6. EQUALLY STRONGLY WITH OSSA--AND THAT MEANS FREI I J PUSHED FOR THE MINFINANCE STATEMENT THAT I HOPE IS COMING SHORTLY. SINCE FREI INSISTED ON A MORAL JUSTIFICATION FOR

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ANY ACTION, I COULD THINK OF ONLY THE ECONOMIC SITUATION.

AS PROVIDING IT. THE MINFINANCE AND THE MINECONOMY ARE

DETERMINED TO RESIGN; THEY ARE SO PERSUADED BECAUSE THEY

WANT TO PROVOKE THE CRISIS AND PUSH THE MILITARY AND FREI TO

ACTION. THEY ARE BOTH GOOD FRIENDS; INDEED THEY ARE THE ONLY

TWO MINISTERS IN WHOM I HAVE ABSOLUTE CONFIDENCE AND WITH

WHOM I HAVE MAINTAINED THE MOST SPECIAL FREUNDSHIPS. BUT

I HAVE STAYED TOTALLY CLEAR OF THEM, PREFERRING TO DEAL

WITH THE MINIMAL CONTACTS, IN THIS CASE, OSSA AND SAEZ.

THE LATTER EXERCISES CONSIDERABLE INFLUENCE WITH BOTH.

T. MOST OF CHILE BEGAN AT NOON TODAY THE NATIONAL INDEPENDENCE HOLIDAYS. THE ARMED FORCES HAVE BEEN GOOSE-STEPPING THROUGH THEIR PARADE DRILLS FOR DAYS IN PREPARATION FOR THE BIG PARADE I WILL ATTEND SATURDAY. TOMORROW MORNING THERE IS THE TE DEUM IN THE CATHEDRAL WITH ALL OF US DIPLOMATS IN OUR MONKEY SULIS. THE MASS OF THE COUNTRY IS PREPARED TO DRINK ITSELF INTO A STUPOR, TO SPEND ITS EXTRA WAGES AND TO HAVE A RESPITE FROM THE INTENSIVE POLITICAL TALK IN THIS COUNTRY THAT SHOULD BE RECHRISTENED BLAHBLANDIA. BUT THE

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FORDES THAT SANTIAGO GARRISON COMMANDER GEN. VALENZUELA INFORMED ME TWO WEEKS AGO SUNDAY WOULD BE CONCENTRATED IN SANTIAGO ARE HERE IN LESS BUT SUFFICIENT NUMBERS AND FOR THE MOMENT THE ARMY IS MORE OR LESS UNITED FOR THE FIRST TIME IN A LONG TIME.

8. FREI BELIEVES THAT THE COMBINATION OF THE VIAUX ABB THE ECONOMIC STATEMENTS WILL BE SUFFICIENT TO PROVOKE THE ARMY TAKEOVER. FREI THIS MORNING COMPARED THE ARMED FORCES TO A STRETCHED RUBBER BAND THAT WAS READY TO SNAP.

SE SAID THEY WERE NOW FIGHTING "AS A CASTE."

HOWEVER, FREI DID NOT SAY HE WOULD SPECIFICALLY GIVE THE APPROVAL TO THE ARMY TAKEOVER. HE DID NOT SAY HE WOULD CONVINCE SCHNEIDER. HE DID NOT SAY HE WOULD RESIGN. AND THESE LACUNAE WORRY ME. HE MAY BE ASSUMING THAT HE AS STRUCTURED THE SITUATION TO MOVE ITSELF, HIS FAVORITE METHOD OF POLITICAL ACTION. HIS MAY BE A VERY LARGE ASSUMPTION. HE WAS MUCH MORE FINAL IN HIS JUDGEMENT ABOUT THE EUTURE OF THE ARMED FORCES DID NOT MOVE. HE SAID HE WOULD HAVE NOT HOPE IN THE RUBE GOLDBERG POLITICAL CONTRAPTIONS WE SAID

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· THAT HE COULD NOT WIN	MORE THAN 25	PER CENT OF HIS	OWN PART Y FOR	
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IT WAS THE ARMY OR N	NOT HING.	•	1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	
in 10. MY MOMENT OF	DECISION IS AT	HAND. I MUST	DECIDE	
WHAT IF ANYTHING I	NUST DO TO MAKE	FREI'S DECISIO	NS AGAIN FOR	
HIM; I DID IT IN THE	CASE OF THE A	NACONDA NEGOTIA	TIONS LAST -	
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WHO NEED TO KNOW.				
11. TALLY HO.				
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